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Central Intelligence Agency	25 X 1
Washington, D. C. 20505	
DIRECTORATE OF INTELLIGENCE	
18 October 1985	
Korea: Prospects for a Summit	25X1
<u>Summary</u>	
The two Koreas have agreed in principle to a meeting between South Korean President Chun Doo Hwan and North Korean leader Kim Il-songa potentially historic meeting that could lead both to new	
opportunities and dangers for dialogue and stability on the peninsula. Several major procedural and substantive obstacles remain, and the chances for a	
summit, in our view, are still less than 50-50. But we believe that the broader North-South dialogue and	
other policy goals in Seoul and P'yongvang make a summit more likely than ever before.	25 X 1

This memorandum was prepared b Office of East Asian 25X1 Analysis. Information available as of 18 October 1985 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Korea Branch, Northeast Asia Division, OEA, 25X1

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Copy 19 of 3

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North Korea, in our judgment, has taken the initiative in pressing for a summit, catching Seoul off-guard by responding to President Chun's three-year old proposal to meet Kim Il-song. We are unsure of the North Koreans' primary motivation for pressing their diplomatic offensive, but we are reasonably confident they hope to:

- Overcome US objections to direct talks with P'yongyang.
- -- Gain a substantial share of the 1988 Olympic Games.
- -- Attract Western credits and joint ventures for their badly strapped economy.

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A breakdown of summit preparations would not necessarily bring the broader dialogue to a halt. But if it was accompanied by mutual recriminations, the progress so far could quickly be undone and tensions on the peninsula begin to rise. We might, for instance, expect the North to renew efforts to demonstrate that South Korea is too unstable and security too uncertain for the Olympic Games to be held there.

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Should the numerous procedural obstacles be overcome and a summit occur, the equation on the peninsula will have been changed. With the two sides talking, cross-contacts between the Koreas and their respective allies could be a logical next step. Tokyo and Beijing already have contacts with P'yongyang and Seoul respectively, and we would expect those contacts to broaden. Washington, and to a lesser extent Moscow, would also feel increased pressure to alter policies toward the divided peninsula.

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It is difficult to see any real progress toward reunification coming out of a summit, but the fact of its having taken place would have significant ramifications. The regimes in Seoul and P'yongyang might see short term gains--Chun could claim increased prestige and the North would be better positioned to engage Japan and the West in political and economic exchanges. Ironically, however--by leading to reduced public perceptions of threat from the "other" Korea, a summit could have unsettling effects on both sides of the DMZ. In both Koreas entrenched elites--including the military establishments--probably would fear that a

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yon	gyang's	Political Motives	
e o rpr	ffer la ised Ch	t Chun first proposed a summit in 19 t spring. P'yongyang's positive reson and has enabled North Korea to kee We believe the North regards the sum	sponse, however,
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integral part of its attempt ultimately to engage the United States in direct talks. US statements on the need to reduce tensions and to make progress in North-South relations are clearly understood in P'yongyang. In fact, recent North Korean behavior in Military Armistice Commission meetings (MAC), including positive responses to a longstanding US proposal for steps to reduce tension in the Demilitarized Zone, suggests that P'yongyang is attempting to package a set of actions that will appear to respond directly to US requirements.

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The timing of both North Korea's public diplomatic offensive and its private pursuit of a summit suggests, however, that it may have been the award of the 1988 Olympic Games to Seoul that spurred the North to seek to improve its international image in hopes of cohosting the Games. South Korea's success in winning the competition for the site of the 1988 games has dramatized the problems faced by P'yongyang during the last two decades in its usually losing competition with Seoul. In our view, the North is deeply concerned that the international attention focused on Seoul in 1988 will further highlight the South's economic success, technological achievement, and range of international support relative to the North.

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As was the case during previous diplomatic thaws, the North's current approach is aimed partly at the South Korean public, particularly Chun's critics. North Korea knows that Chun is widely unpopular and that he is moving to clamp down on his critics. P'yongyang almost certainly hopes that by diminishing the South's perception of a threat from the North, it can undermine public tolerance of Chun's tough domestic stance. We do not believe this objective is high on Kim Il-song's list at present, despite the concerns evident among Chun's advisers about a weakening in popular resolve to confront the North. But we do believe that playing to the gallery in South Korea will grow more important as the dialogue continues, especially if dissension in the South increases over domestic issues, student causes, or economic problems.

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Seeking Economic Advantage

Kim's diplomatic initiative also appears designed to convince foreigners to help North Korea's economy. For more than a year, North Korea has attempted to expand imports of petroleum, industrial equipment, and technology from both Communist and non-Communist trading partners. P'yongyang is seeking to entice Western and Japanese firms to engage in joint ventures and to grant new credits to North Korea by pointing to the change in the North-South atmosphere. Nevertheless, given North Korea's current economic difficulties and its poor track record as an international debtor, most potential investors and trading partners so far have kept the P'yongyang at arm's length.

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P'yongyang's Inter	rnal Politics			
We believe su	accession politi	s almost certai	inly influence	
P'yongyang's approcircumstantial. F	pach to a summit Recent press comp	, although our e	vidence is	
extolled the roles	of both father	and son in the	dialogue. Kim.	
seeking to make hi	is son's success	ion easier, may	sense the need	
to engineer action if not impossible,	, to initiate.	if this is true	Kim Il-sona	
could intend to ma	ike his son the 1	peneficiary of a	landmark sten c	25)
for example, succe modernization or a	ess in winning ne	ew outside aid f	for economic	_0,
reunificationtha	it would help to	legitimize his	succession.	
Seoul on the Defer		•		
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President Chu	in, in our view,	also wants a su	ımmit. At a	
minimum, the event enable him to clai	would boost his im he has dained	; image at home something his n	as well as predecessors	
could notde fact	o recognition fr	om Kimas a coe	equal Korean	,,
leader. Chun's ef that he could see	fort to push cro a summit as a st	ss-recognition	also suggests 25X	(1
the Soviet Union π	nore willing to e	engage in direct	economic and	
political contacts	with Seoul.			2
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Major Obstacles Re	main			_
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	ecide to halt th	SCICCO IIOM AN	array or monkey	

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incidents along process.	the DMZ could be used	d to justify stopping the	25 X 1
concessions on t contacts with Wa for now at least	he Olympics or of acl shington and trade w	se hope of extracting hieving a breakthrough in ith the West. Nevertheless, s more likely than P'yongyang ly:	
alread	Korean officials worm y be leading the Uni- ts with North Korea.	ry that the dialogue may ted States to consider	25X1
Chun's	personal political	gained beyond improving fortunes, lower-level ieve it is in their country's	25 X 1
best i	nterest to try to to Summit?	rpedo the talks. 25	X1
sides agree to a meeting could in agreements, such	largely symbolic pub clude reaffirmation o	can succeed only if the two blic relations event. The of previously acceptable bilateral accord enshrining ion without foreign	25X1
raised public ex peninsula. Spec would invite Kim attention, in the North-South	pectations of reduced ulation would likely Il-song to make a re e meantime, would foo dialogue <u>in hope of</u> I	such a meeting would be d tensions on the spread that South Korea eturn visit to Seoul. Public cus on the other forums of practical steps toward better	051/4
President Chun t would gain perso	the good feelings rado o overestimate its po nal prestige from a n	ised by a summit could cause olitical benefits. Chun meeting with Kim Il-song, and	25X1
his mind and in further preparat that Chun's oppo for constitution expressed to US	the minds of his closions for his successions for his succession long call revision. A respe	tress the caseif only in se advisersfor deferring ion in 1988. But we doubt distracted from their demands ected South Korean academic Seoul his opinion that a sition in the short run, but	
would not for <u>lo</u> In addition	ng override demands (, we would expect Sou	for political reforms. Luth Korean security officials	5 X 1

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	Northern threat and thereby fuel opposition demands for political	
	reform. Students and opposition politicians might clamor for more contacts with the North than the regime is prepared to	
	undertake.	25 X 1
	P'yongyang's repressive regime has less reason to fear	
	public demands following a summit, and both Kims would certainly claim credit for the diplomatic breakthrough. Nevertheless	
	should North Korean economic conditions continue to deteriorate	
	bureaucratic opposition to the government's demand for constant	
	sacrifice for the sake of military preparations could grow.	25 X 1
	On the other hand, military leaders themselves might worry 25%	X 1
	that reduced threat perceptions could threaten their huge share	
	of North Korea's economic pie. If the younger Kim attempts to take credit for summit diplomacy, these concerns could reduce	
	military support for his succession to power.	25 X 1
	Implications: Tripartite Talks vs. Cross-Recognition	
	Each Korea is likely to follow a successful summit with a	
	major push to achieve its preferred framework for relations with	
	the superpowers, China, and Japan. We expect intensified	
	competition as North Korea seeks to achieve direct talks with the United States and greater trade with Japan, while South Korea	
	presses for Chinese and Soviet recognition. China and Japan	
	already have demonstrated their inclination to trade with both	
	Koreas, and a successful summit could lead to expanded commercial	
	and political contacts. One likely result of such movement would be increased pressure on the United States from China and perhaps	
	Japan to reconsider the option of Tripartite talks.	
	If Summit Diplomacy Fails 25X	1
	As we have noted mutual suspicion remains high and summit	'
	preparations could run afoul of any number of problems. Whether	
	a breakdown would hurt other aspects of the dialogue or have	
	other negative repercussions would depend on how and when it occured:	
	Red Cross, economic, and parliamentary talks would not	
	necessarily be affected if either side unilaterally	
	backed out of summit preparations before the two	
	leaders announced their intention to meet. By the same tokenas long as the talks remain (at least nominally)	
	secretthe overall North-South dialogue should survive	

if the preparations stall over the summit agenda or procedures. There is, of course, a possibility that differences arising from economic, interparliamentary,

or sports talks might spill over into summit discussions and be the cause rather than the victim of a summit breakdown.

More serious consequences might result if a summit took place but resulted in recrimination rather than agreement. It is conceivable that a face-to-face meeting between Kim and Chun would degenerate into an argument leading to public restatement of traditional positions spiced with visceral rhetoric. In that event, other talks almost certainly would be interrupted. We believe an even more negative outcome would result if the two sides scrapped a summit after it had been widely publicized. In our judgment, vituperation likely would be even more evident than in the case of a hostile meeting, as the two sides would not even have the fact of a summit to nurture hopes for improved relations. A breakdown of other talks would be likely and a charge-and-countercharge escalation could raise the tension level on the peninsula.

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